Ad hoc announcement pursuant to Art. 53 LR

Securities code: 688777 Securities abbreviation: SUPCON Announcement Number: 2023- 086

SUPCON Technology Co., Ltd.
Announcement regarding the transfer of part of the capital contribution rights of the holding company of the actual controller
& Announcement of Related Transactions

The company's board of directors and all directors guarantee that the contents of this announcement do not contain any false records, misleading statements or major omissions, and assume legal responsibility for the authenticity, accuracy and completeness of its contents.

Important content reminder:

Summary of the transaction: SUPCON Technology Co., Ltd. (hereinafter referred to as "SUPCON Technology" or the "Company ") plans to transferee 10% of the registered capital of Ningbo Industrial Internet Research Institute Co., Ltd. (hereinafter referred to as "Ningbo Industrial Research Institute") held by the major shareholder and actual controller Mr. Chu Jian at a price of 0 yuan (the capital contribution has not been received, corresponding to the subscription amount of 10 million yuan), and the capital contribution shall be paid to Ningbo Industrial Research Institute in accordance with the law. After the completion of the equity transaction, the Company’s shareholding ratio will be 10%, Mr. Chu Jian’s shareholding ratio will be 40%, SUPCON Technology Group Co., Ltd.’s shareholding ratio will be 10%, and Zhejiang Lanzhuo Industrial Internet Information Technology Co., Ltd. will hold a 10% shareholding ratio. The shareholding ratio is 10%, Veken Holding Group Co., Ltd. holds 10%, SDIC Venture Capital Management Co., Ltd. holds 10%, and Guangdong Industrial Edge Intelligent

Innovation Center Co., Ltd. holds 10%. The company is a shareholder of Ningbo Industrial Research Institute.

- Mr. Chu Jian is the company's controlling shareholder and actual controller, and this transaction constitutes a related transaction.
- This transaction does not constitute a major asset restructuring.
- As of the date of this announcement (excluding this transaction), the company's transactions related to the same related party and other related parties in the past 12 months have not reached 1% of the company's most recent audited total assets and have not The transaction exceeds 30 million yuan. This transaction has been reviewed and approved by the first meeting of the sixth board of directors and does not need to be submitted to the company's shareholders' meeting for review.
- Special risk warning: This external investment is a prudent decision based on the company's development strategic plan. It is a start-up company, and its revenue has not yet formed a scale. The initial R&D investment cost is high, and the market has not yet been fully launched. At the same time, it is in the process of operation. It may be affected by factors such as macroeconomics, industry policies, market environment, etc., and there is a risk of uncertainty in investment returns.

1. Overview of related-party transactions

The company held the first meeting of the sixth board of directors, the first meeting of the sixth board of supervisors and the first special meeting of the independent directors of the sixth board of directors on December 11, 2023, and reviewed and approved the "About the Transferee's Actual Controller's Rights and Interests" "Partial Subscription of Capital Contribution Rights and Related Transactions by Its Subsidiaries", the company agreed to transfer 10% of the registered capital of Ningbo Industrial Research Institute held by the major shareholder and actual controller Mr. Chu Jian at a price of 0 yuan (if the capital contribution is not in place, the corresponding confirmation The capital contribution right shall be RMB 10 million) and the capital contribution shall be paid to Ningbo Industrial Research Institute in accordance with the law. After the completion of the equity transaction, the Company's shareholding ratio will be 10%, Mr. Chu Jian's shareholding ratio will be 40%, SUPCON Technology Group Co., Ltd.'s shareholding ratio will be 10%, and Zhejiang Lanzhuo Industrial Internet Information Technology Co., Ltd. will hold a 10% shareholding ratio. is 10%, Veken Holding Group Co., Ltd. holds 10%, SDIC Venture

Capital Management Co., Ltd. holds 10%, Guangdong Industrial Edge Intelligent Innovation Center Co., Ltd. holds 10%, and the company is A shareholder of Ningbo Industrial Research Institute.

This transaction is based on the company's future strategic planning and business development needs. The company intends to transfer 10% of the equity of Ningbo Industrial Research Institute held by the major shareholder and actual controller Mr. Chu Jian. Ningbo Industrial Research Institute is committed to technological innovation breakthroughs and For the incubation business of transforming technological achievements, the company will jointly participate in cutting-edge technological innovations in the fields of industrial information security, industrial big data, intelligent manufacturing, and robotics to enhance the company's market competitiveness as a whole.

As of the date of this announcement (excluding this transaction), the company's transactions related to the same related party and other related parties in the past 12 months have not reached 1% of the company's most recent audited total assets and have not reached 1% of the company's latest audited total assets. The transaction exceeds 30 million yuan. This transaction has been reviewed and approved by the first meeting of the sixth board of directors and does not need to be submitted to the company's shareholders' meeting for review.

2. Basic information of related persons

(1) Description of related relationships

According to the relevant provisions of the "Shanghai Stock Exchange Science and Technology Innovation Board Stock Listing Rules", Mr. Chu Jian is the company's major shareholder and actual controller, and Mr. Chu Jian is the company's related natural person. This transaction constitutes a related transaction .

(2) Description of related parties

1. Basic information of related persons

Name : Chu Jian

Sex: Male

Nationality : Chinese

Career and job experience : Worked at Zhejiang University from 1989 to 2017, serving as postdoctoral fellow, lecturer, associate professor, and professor at Zhejiang University, director of the State Key Laboratory of Industrial Control Technology at

Zhejiang University, and Advanced Control Institute of Zhejiang University (now Zhejiang University Intelligent System and Director of the Institute of Control Research, and served as a member of the Party Committee, Standing Committee, and Vice President of Zhejiang University from 2005 to 2013. In 2018, he was hired as a researcher by Zhejiang University. In 2019, he was hired by Shanghai Jiao Tong University as chief researcher and chief scientist of Ningbo Artificial Intelligence Research Institute of Shanghai Jiao Tong University. Mr. Chu Jian is the founder of SUPCON Technology. He once served as the chairman of SUPCON Co., Ltd. and currently serves as the company's strategic advisor.

2. Description of shareholdings of related parties

Mr. Chu Jian directly holds 104,924,538 shares of the company, indirectly controls 57.275 million shares of the company through Hangzhou Yuancheng, and directly and indirectly controls 20.64% of the company's total shares. He is the company's controlling shareholder and actual controller.

3. Explanation of other relationships between related parties and listed companies in terms of property rights, business, assets, claims and debts, personnel, etc.

Related parties and listed companies are independent from each other in terms of property rights, business, assets, claims and debts, and personnel.

4. After review by the company, Mr. Chu Jian has not been listed as a defaulter and has good performance ability.

3. Basic information on the subject matter of related-party transactions

(1) Overview of the transaction subject matter

1. This transaction transfers the subscribed capital contribution right of 10% of the registered capital of Ningbo Industrial Research Institute (the capital contribution has not been received, corresponding to the subscription amount of 10 million yuan) held by the major shareholder and actual controller Mr. Chu Jian at a price of 0 yuan. And pay capital contribution to Ningbo Industrial Research Institute in accordance with the law.

2. Basic information about the transaction target

Company name: Ningbo Industrial Internet Research Institute Co., Ltd.

Unified social credit code: 91330203MA2AJCG08Q

Company type: Limited liability company (natural person investment or holding)

Legal representative: Chen Kewen

capital: RMB 100 million RMB

Date of establishment: 2018-04-26

Company address: Room 150 (1-1-177), Changpu Road, Jishigang Town, Haishu District, Ningbo City, Zhejiang Province

Business scope: General projects: technical services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; industrial automatic control system device manufacturing; entrepreneurial space services; software development; electronic product sales; information technology consulting services; computer system services ; Engineering and technology research and experimental development; social and economic consulting services; information system integration services; research and development of special electronic materials; manufacturing of semiconductor discrete devices; sales of semiconductor discrete devices; investment activities with own funds; import and export of goods; import and export of technology ;Import and export agency (except for projects that require approval according to law, independently carry out business activities with a business license and in accordance with the law). Licensed projects: real estate development and operation (projects that require approval according to law can only be carried out with the approval of relevant departments, and specific business projects are subject to the approval results).

Shareholder status: Chu Jian holds 80% of the shares; Veken Holding Group holds 10%; SDIC Venture Capital holds 10%;

(2) Main financial information of the transaction target

Unit: 10,000 yuan	**December 31, 2022 (audited)**	**October 31, 2023 (unaudited)**
Total assets	156,248.35	112,717.25
Net assets	2,809.75	1,701.69
	January-December 2022 (audited)	**January-October 2023 (unaudited)**
operating income	1,681.48	1,504.00

net profit	-533.41	-721.00

(3) Equity structure of the transaction target before and after this transaction

Before and after this related transaction, the changes in shareholders and shareholding ratios of Ningbo Industrial Research Institute are as follows:

Shareholder name	**Before this transaction**		**After this transaction**	
	Amount of investment (10,000 yuan)	**Shareholding ratio**	**Amount of investment (10,000 yuan)**	**Shareholding ratio**
Chu Jian	8,000	80%	4,000	40%
Veken Holding Group Co., Ltd.	1,000	10%	1,000	10%
SDIC Venture Capital Management Co., Ltd.	1,000	10%	1,000	10%
Guangdong Industrial Edge Intelligence Innovation Center Co., Ltd.	0	0	1,000	10%
Zhejiang Lanzhuo Industrial Internet Information Technology Co., Ltd.	0	0	1,000	10%
SUPCON Technology Group Co., Ltd.	0	0	1,000	10%
SUPCON Technology Co., Ltd.	0	0	1,000	10%
total	**10,000**	**100%**	**10,000**	**100%**

Property right of Ningbo Industrial Research Institute are clear. There are no mortgages, pledges or any other restrictions on transfer. It does not involve litigation, arbitration matters or judicial measures such as seizure and freezing. There are no other circumstances that hinder the transfer of ownership.

4. Pricing of related party transactions

Ningbo Industrial Research Institute was established in April 2018. As a research and development institution focusing on cutting-edge fields such as industrial Internet, intelligent manufacturing, and artificial intelligence, the institute is committed to promoting the transformation and development of national industry, innovative breakthroughs in major key core technologies, and the transformation of technological achievements，and has successfully established more than ten high-tech companies and gathered more than 600 high-tech talents of various types, of which more than 30%

have masters and doctoral degree; it has built an "offensive and defensive evaluation integrated" industrial control safety test site and has become an important base for leading domestic industrial control safety, and industrial control safety products have been successfully used in more than 30 scientific research projects and major national infrastructure equipment safety protection projects. In 2020, it was selected into the first batch of "Zhejiang Provincial New R&D Institutions". In 2021, the "Zhejiang Smart Factory Operating System Technology Innovation Center" led by the institute was selected into the first batch of Zhejiang Provincial Technology Innovation Centers. In August 2022, it was selected into the first batch. The "Science and Technology China" innovation base was approved. In October 2022, it was approved to build a new generation of national artificial intelligence open innovation platform for intelligent manufacturing.

Ningbo Industrial Research Institute is building an industrial ecological cluster that integrates "theoretical research, technological innovation, product research and development, talent gathering, and industrial incubation" and is committed to industrial information security, industrial software, high-end equipment, instrumentation, industrial big data, and new technologies. Innovative breakthroughs and transformation of technological achievements in core technologies in materials and other fields can provide guidance for the company's future development in emerging directions. At the same time, Ningbo Industrial Research Institute has always maintained a high investment in R&D, established a team of scientists, strengthened its own technical strength, continuously explored advanced technologies, and continued to incubate high-tech companies that will lead the future. The company can build various R&D resource integration and R&D talents through the Industrial Research Institute. The introduction and training of talents can enhance the company's overall core competitiveness to a certain extent, which is in line with the company's development strategy and long-term interests.

Based on the above synergy effects, all parties plan to further strengthen strategic cooperation. The pricing of this transaction is based on the development of Ningbo Industrial Research Institute and its commercial value judgment. After friendly negotiation between the two parties, all shareholders will receive subscription rights at the same price. That is, each shareholder pays the capital contribution at the price of 1 yuan/share. The pricing of this transaction follows the principles of fairness, equity and consensus, complies with relevant national laws, regulations and policies, and will not harm the interests of the company and shareholders.

5. Main contents and performance arrangements of the related-party transaction agreement

(1) Main contents of the related-party transaction agreement

1. Subject of the agreement

Party A (transferor): Chu Jian

Party B (Transferee): SUPCON Technology Co., Ltd.

2. Transaction price

Party A transfers the subscribed but unpaid registered capital of Ningbo Industrial Research Institute of RMB 10 million (accounting for 10% of the registered capital of Ningbo Industrial Research Institute) to Party B at a price of RMB 0, and Party B pays the capital contribution to Ningbo Industrial Research Institute in accordance with the law.

After the transfer of subscribed capital contribution rights is completed, the company structure of Ningbo Industrial Research Institute is as follows:

Shareholder name	**Amount of investment (10,000 yuan)**	**Shareholding ratio**
Chu Jian	4,000	40%
Veken Holding Group Co., Ltd.	1,000	10%
SDIC Venture Capital Management Co., Ltd.	1,000	10%
Guangdong Industrial Edge Intelligence Innovation Center Co., Ltd.	1,000	10%
Zhejiang Lanzhuo Industrial Internet Information Technology Co., Ltd.	1,000	10%
SUPCON Technology Group Co., Ltd.	1,000	10%
SUPCON Technology Co., Ltd.	1,000	10%
total	**10,000**	**100%**

3. Investment time:

the target company within 10 working days after signing this agreement .

4. Delivery

Both parties confirm that the delivery date of the equity transfer under this agreement is the signing date of this agreement. From the date of equity transfer and delivery, the transferee enjoys the rights and assumes the obligations related to the target equity.

Within 10 working days from the signing of this agreement, the target company shall complete the industrial and commercial change registration and filing procedures for this transfer of the target equity. The transferor shall assist and urge the target company to submit the industrial and commercial change registration for this transfer of equity to the industrial and commercial authorities. information, the transferee will provide necessary assistance.

5. Effective time

This agreement will come into effect after being approved by the internal decision-making bodies of Party A and Party B and signed and sealed.

6. Liability for breach of contract

If any party to this Agreement violates other provisions of this Agreement, it shall promptly correct it and bear liability for breach of contract in accordance with the law. Due to the breach of contract by the defaulting party, the non-defaulting party suffers economic losses, and the non-defaulting party has the right to demand compensation from the defaulting party in accordance with the law.

6. Necessity of related-party transactions and their impact on listed companies

The related transaction involving the transfer of part of the capital contribution rights of the actual controller holding company comprehensively considers the company's long-term development needs, is in line with the company's future development direction, and has positive strategic significance. All parties to this related-party transaction enjoy corresponding rights and obligations in accordance with the agreement, and are in line with the principles of openness, fairness and impartiality. The transaction price was negotiated and determined with reference to the market price. All parties received the equity and fulfilled their capital contribution obligations under the same conditions and at the same price . There was no situation that affected the company's ability to continue operating, financial status, operating results, etc., and there was no situation that harmed the interests of the company's shareholders. It will not affect the company's independence. The company's main business will not be dependent on or controlled by related parties due to this transaction. The funding source for this transaction is the company's own funds and will not have a significant impact on the company's main business operations.

7. Review procedures for related-party transactions

1. Review status of the board of directors

The company held the first meeting of the sixth board of directors on December 11, 2023, and reviewed and approved the "Proposal on the Transferee's Actual Controller's Partial Subscription of Capital Contribution Rights and Related Transactions to its Subsidiary Companies". The transferee's actual controller Partial subscription of capital contribution rights and related transactions of its subsidiaries are still within the scope of the board of directors' deliberation authority and do not need to be submitted to the shareholders' meeting for review.

2. Review status of the Supervisory Board

The company held the first meeting of the sixth board of supervisors on December 11, 2023, and reviewed and approved the "Proposal on the Transferee's Actual Controller's Partial Subscription of Capital Contribution Rights and Related Transactions to its Subsidiary Companies ". The Board of Supervisors believes that the company's transfer The actual controller partially subscribed the capital contribution rights and related transactions in order to use Ningbo Industrial Internet Research Institute Co., Ltd. as a carrier to integrate R&D resources, introduce and cultivate R&D talents. It is a prudent decision based on the long-term interests of the company and is in line with the company's development strategy. and business expansion direction, which is conducive to the technological innovation of the company's main products and the expansion of emerging business areas. This related-party transaction follows the principles of equality and voluntariness. The transaction pricing is determined through negotiation between both parties, and the pricing is fair and reasonable. This related transaction does not harm the interests of the company and shareholders, especially small and medium shareholders.

3. Deliberations at special meetings of independent directors

The independent directors believe that Ningbo Industrial Internet Research Institute Co., Ltd. has always maintained high R&D investment, established a team of scientists, and strengthened its own technical strength. The company can integrate various R&D resources, introduce and cultivate R&D talents through Ningbo Industrial Internet Research Institute Co., Ltd., and jointly Participating in technological innovation in the fields of industrial information security, industrial big data, intelligent manufacturing, and robotics is in line with the company's development strategy and long-term interests. The transfer of part of the capital contribution rights and related-party transactions of the holding company of the actual controller followed the principles of equality and voluntariness . The transaction pricing was determined through negotiation between the two parties, and the pricing was fair and reasonable. This related transaction does not harm the interests of the company and shareholders, especially small and medium shareholders.

Therefore, we unanimously agreed to the "Proposal on the Transfer of Partial Subscription of Capital Contribution Rights and Related Transactions of the Holding Company of the Actual Controller" and agreed to submit the proposal to the first meeting of the company's sixth session of the Board of Directors for review. The company's board of directors and relevant personnel are requested to perform necessary approval procedures in strict accordance with the requirements of relevant laws and regulations.

This related-party transaction does not require approval from relevant departments.

8. Opinions of intermediaries

After verification, the sponsor believes that:

The company's transfer of the actual controller's partial subscription of capital contribution rights and related transactions to its subsidiaries has been reviewed and approved by the company's board of directors and supervisory board. The procedures for convening, convening and resolution of the board of directors and supervisory board complied with relevant laws, regulations and the "Articles of Association" stipulations; the company's independent directors have expressed independent opinions in agreement; this related transaction does not need to be submitted to the company's shareholders' meeting for review. The price of this related transaction is fair and will not harm the interests of the company and its shareholders, especially small and medium-sized shareholders. Therefore, the sponsor institution has no objection to the actual controller of the company's transfer of part of the capital contribution rights and related transactions of its subsidiaries.

Hereby notice.

Board of Directors of SUPCON Technology Co., Ltd.

December 12, 2023